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MINISTRY OF FINANCE

ECONOMY COMMITTEE

New Delhi, the 12th April 1949.

From

G. S. RAU, Esqr.,
Secretary, Economy Committee, New Delhi.

To

The Secretary to the Government of India,
Ministry of Finance, New Delhi.

Sir,

Report of the Economy Committee on the Ministry of Communications.

I am directed to forward herewith the report (with two spare copies) of the Economy Committee on the Ministry of Communications. The Report has not been signed by Messrs. S. K. Patil and Jaipal Singh, who have, however, approved of it. Their signatures will be affixed to the report on their arrival in Delhi.

2. The recommendations in the report have been made after detailed iscussions with the officers of the Ministry, who have had an opportunity o see the report in draft; and they represent the limit to which the Committee has considered it possible to meet the views of the Ministry.

3. A copy of the report is being sent direct to the Ministry of Communications.

Yours faithfully,
G. S. RAU.

MINISTRY OF COMMUNICATIONS

The Ministry of Communications, which has grown out of the old Department of Industries and Labour, is responsible for the administration and development of the Posts. Telegraphs and Telephone Services in India and with countries overseas, the development of Civil Aviation and Meteorology. Another item of work, which is entrusted to this Ministry, is the Railway Inspectorate, which is responsible for ensuring the safety of railway transport, as it was considered desirable to locate it in a Ministry not responsible for the running of the Railway Services.

DIRECTORATE GENERAL OF CIVIL AVIATION AND THE AIR TRANSPORT LICENCING BOARD

2. *Introductory*—The Director General of Civil Aviation is responsible for the development and regulation of all civil aviation activities in the country and in particular to make provision for—

(a) aerodromes, navigational aids and other facilities required by civil aircraft.

(b) inspection, registration and licensing of aircraft and aircraft personnel.

(c) training facilities in flying, flying control, etc.

(d) enforcement of civil aviation regulations.

The Director General is, however, not responsible for the licensing of Air Transport Companies running scheduled services on different routes in the country. As provided by Rule 135 of the Indian Aircraft Rules, 1937. an Air Transport Licensing Board has been established to examine and grant applications for licences to operate such services. The Board consists of a Chairman, two *ex-officio* members and a Secretary.

3. *Post-war Growth.*—The Civil Aviation Department was, before, the war, comparatively a small organisation with an annual expenditure of about Rs. 49 lakhs. During the war, the resources of Government were concentrated on the development of the Air Rorce and Civil commercial flying was considerably reduced. With the termination of the war, the normal activities of the Department were resumed and there has been considerable expansion in the activities and the staff of the Department. Just before the end of the war, Government framed a post war five year plan for development of civil aviation but the development of civil aviation in this country has exceeded all expectations and outstripped the targets fixed by the five year plan as the following figures show.—

		Post-war Plan.	As on 30th June 1948.
1.	Services operated	11	30
2.	Route miles operated	11,220	19,368
3.	Capacity ton-miles scheduled per annum	17,201,000	26,066,900
4.	Aircraft employed (By scheduled operators on scheduled services)	32	114
5.	Utilisation hours in relation to (3) and (4)	1,700	710
6.	Load factor	40% 1st Year. 65 % 5th year	72·6%

The Civil Aviation Department has also expanded correspondingly. A sum of over Rs. 590 lakhs has been incurred on the development of civil aviation facilities in the country since the termination of the war and the annual revenue expenditure has grown from about Rs. 49 lakhs before the war to Rs. 2,14 lakhs in the year 1948-49. Notwithstanding this development India still lags far behind other civilised countries. The Civil Aviation Department has prepared another ten year plan for improving the existing aerodromes and navigational facilities and for constructing a number of new aerodromes, which is expected to cost about Rs. 56·5 crores. When this scheme is in full operation the recurring cost of the Department is estimated to be about Rs. 4 crores.

4. *Policy.*—Civil Aviation is primarily a means of transport like roads, railways or shiping. Judged from this aspect, there is no reason to give civil aviation a more favourable treatment than other means of transport. Of the expenditure incurred on the Civil Aviation Department, only a small fraction is met by the receipts in the form of licencing fees paid by the Air Transport Companies for services rendered etc. The rest of the expenditure is met by the general taxpayer. Civil Aviation caters for a special class of clientele and it is questionable whether, purely for an alternative method of transport for a limited clientele, a large expenditure on development of civil aviation is justified. But civil aviation provides an essential defence potential. No country can, in modern times, afford to ignore the development of civil aviation except at its peril. While civil aviation must, therefore, be developed even at the cost of the general taxpayer, the purposes underlying such development should not be forgotten. Construction of aerodromes, expansion of navigational facilities, etc. which are likely to be of use for defence purposes or which may aid general administration *e.g.* construction of aerodromes at each Provincial capital, requires to be supported but additional facilities required solely for development of commercial transport should be viewed from the angle whether the cost of such additional facilities is justified by the additional revenue likely to be derived. Again, expenditure on provision of training facilities must receive high priority as also development of air transport to enable the trained personnel to follow a useful career. But the Committee is constrained to observe that the manner in which civil aviation has developed in this country is not in this pattern. Development of aerodromes, navigational facilities, etc. and of commercial services has exceeded anticipation while provision of training facilities in the country has been, comparatively speaking, neglected. Even today there are no arrangements in the country to train commercial pilots. A few months ago, a school was opened at Allahabad for training commercial pilots but it has not yet been possible to secure instructors. Arrangements for training in ground engineering have yet to be made.

5. The policy prescribed by the Indian Aircraft Rules 1937, is perhaps primarily responsible for the lop-sided development of civil aviation in the country. Licences seem to have been granted after inviting public applications, whenever a company was technically equipped to carry out the service, had agreed to adhere to the schedule of rates prescribed by the Board and the route applied for had not already been allotted to another company. Whether such development was in the overall interest of the country or not does not seem to have been given serious consideration. At present, there are nine companies operating scheduled air services in the country but except for one Company all other companies have suffered, and are continuing to suffer, a substantial financial loss (Annexure IV). It is apparent that commercial transport companies cannot go on maintaining their services if they continue to suffer losses on

the present scale. This aspect of the matter is particularly disquieting when it is remembered that the large majority of the aircraft employed by the commercial transport companies in the country are Dakotas which were obtained by them at a comparatively cheap price from the war surpluses. A debacle is bound to occur when the question of replacing all the existing Dakotas becomes a live issue in the next few years; even before that time, many of the companies may be faced with financial ruin.

6. The procedure adopted by the Air Transport Licencing Board has also contributed to the uneconomical working of the Commercial Transport Companies. The Board would not consider any application for grant of licence from a company until the applicant Company had collected the necessary aircraft and other equipment and recruited the necessary staff. As, after an application was received, the Board and the Ministry would take some months to come to a final decision regarding the grant of a licence, the company concerned had perforce to incur appreciable unremunerative expenditure in the mean-while.

7. The numerous companies that are operating from the same place maintain separate ground engineering organisations, office staff, equipment etc. This causes an increase in overheads. Besides, because of the competition for the few available technical men between the various companies, both they as well as Government are compelled to pay comparatively much higher remuneration and many essential services, *e.g.*, training of technical personnel, cannot be progressed to the desired extent. Again the attractive rates of pay offered by commercial companies and consequently by the Directorate General of Civil Aviation have forced up the rates of pay of R. I. A. F. personnel.

8. *Suggestions.*—In the opinion of the Committee it would be disastrous to permit development of commercial air-lines in the present haphazard manner. The principle of free private competition and the survival of the fittest cannot apply to the development of civil aviation, which is of vital importance to the country and which is being subsidised by the general taxpayer. The country cannot support so many air companies and once this is realised, private capital may become so shy that Government may have to bear a greater burden than even at present to support civil aviation. A rationalisation of commercial aviation in the country is, therefore, urgently called for. The Air Transport Licencing Board should be abolished. The Civil Aviation Department should place before the commercial aviation companies a plan for the formation of a smaller number of companies by amalgamation and for the distribution of available routes among them. It is suggested that India could be conveniently divided into three or at best four regions and all services in any particular region leased out to a single company which would be subject to strict Government control with regard to routes, services, fares etc. The Committee is confident that with the good offices of the Civil Aviation Department it should be possible to arrive at a solution satisfactory to all existing companies. If, however, any company withhold consent unreasonably, it cannot present any obstruction to rationalisation, as all licences which are now in force are provisional.

9. Pending such amalgamation it is suggested that immediate steps should be taken for the rationalisation of the ground organisations maintained by the various companies at the different aerodromes all over the country. It should be possible to arrange for a single unit at each aerodrome for servicing of aircraft and to do other staff work, with consequent reduction in overhead charges.

TRAINING FACILITIES

10. *Flying*.—There is at present a dearth of qualified pilots in the country. Training in flying is costly and the facilities available are limited. A person intending to learn flying must either enlist in the R.I.A.F. or join a flying club. (A list of flying clubs in annexed—Annexure V) Each flying club receives a cash annual grant varying from Rs. 30,000 to Rs. 40,000, a subsidy for each hour flown whether by a trainee or any other person, which is now fixed at Rs. 15 per hour of flying with a bonus of Rs. 5 per hour for every hour of flying over 10,000 hours in a year and a bonus of Rs. 250 per person successfully trained to get a 'A' licence. As, on an average, a person has to fly for about 25 hours before getting a 'A' licence the cost to government per 'A' licence trained works out at about Rs. 1,250. (In addition, Government has made a lump-sum contribution towards the construction of hangers in aerodromes for the use of flying clubs up to Rs. 50,000 per club). The 'A' licence does not enable the licencee to fly a commercial plane. Flying clubs also train every year a few persons for the AI and B licences, which are more advanced. The only assistance given by the Government in respect of such training is the bonus per flying hour mentioned above. But in order that a person can be trusted to handle commercial aircraft he must have extensive experience of flying twin-engined aircraft and be familiar with all modern navigational aids. The Department has recently opened at Allahabad a training centre to train commercial pilots, but not much progress has been achieved because of difficulties in securing instructors. The cost of training a 'A' licencee to the commercial pilot stage is estimated at about Rs. 35,000.

11. A person selected for training in the Allahabad school is required first to go to a club and get a 'A' licence. This costs government about Rs. 1250. Against his cost of training at the school, the trainee is required to deposit Rs. 5,000 out of which Rs. 2,500 will be refunded on his completing training successfully. Thus every person trained at the school will cost government about Rs. 34,000. The school is in an experimental stage and it is difficult at present to suggest any economies. It is however suggested that the government subsidy per flying hour and the bonus for 'A' licence should be limited to persons who are physically fit to constitute a reserve potential in an emergency and preference in training should be given to persons who are selected to join the Allahabad school. Also, persons who want to stop at the 'A' licence should be encouraged to receive training in economical types of aircraft like the 'Piper Cub'. As regards the persons trained at the Allahabad school a scheme to recover a portion of the cost of training on the lines recommended for 'Overseas scholars' seems indicated, *viz.*, the candidate should repay for a period of ten years from the completion of training during any period he is employed and is earning a salary—

(a) Rs. 50 per month if his pay is over Rs. 300 per month and less than Rs. 500 per month; and

(b) Rs. 100 per month or 20 per cent. of the salary whichever is more if his salary is over Rs. 500 per month.

In the alternative, every trainee may be asked to execute a bond to serve in any commercial transport company on salary and other conditions of service as prescribed by the Director General of Civil Aviation and the company concerned should be asked to pay an annual capitation fee for a period of ten years in respect of every pilot trained by government and employed by it. This will be more economical to the companies than training their own pilots, which is likely to cost them nearly Rs. 40,000 per pilot.

12. *Co-ordination with the Royal Indian Air Force.*—As civil aviation personnel are intended to constitute a second line of defence in an emergency the mode of recruitment and training in civil aviation should be correlated with the needs of the Royal Indian Air Force. Also the requirements of the pilots in the Royal Indian Air Force is such that many pilots may become surplus at a comparatively young age. It would therefore be in the overall interests of the country if the Royal Indian Air Force overage pilots can be offered a career in commercial transport companies. This will enable the Royal Indian Air Force to get a better type of recruit in requisite numbers at reasonable cost, conserve the manpower of the country and establish close liaison between the Royal Indian Air Force and Civil Aviation. It should be possible to devise a method by which overage Royal Indian Air Force pilots could be trained for commercial flying and then passed on for employment in commercial transport companies under the scheme mentioned in the previous paragraph. If such a scheme is adopted, the present difficulty felt by the Royal Indian Air Force is in securing suitable recruits partly because of the short tenure and partly because of the considerably more attractive terms offered by commercial transport companies should diminish.

13. *Gliding.*—It has already been suggested that the economical types of aircraft should be used as far as possible in giving preliminary training. Another cheap way of making people air-minded and giving them preliminary training in flying would be by means of gliding. There is to-day no gliding club in India. It is understood that attempts are being made by certain private persons to organise a gliding club with its headquarters at Poona and that this gliding club has applied to Government for a grant-in-aid. The Committee recommends that Government should take suitable steps not merely to encourage this pioneer gliding club but also to encourage the formation of more gliding clubs all over the country.

14. *Training in radio communications.*—There is a school at Saharanpur to train candidates in radio communications and in radio navigational aids. Persons trained at this school are primarily required for employment in subordinate posts in the Civil Aviation Department. Till recently, the school was giving refresher courses of three to six months' duration to persons who had worked as radio mechanics but from next year it is proposed to take in comparatively raw recruits and give them a full 18 months' course. Every candidate is being paid a stipend of Rs. 80 per month during training and it is proposed to continue this stipend to the raw candidates who have to be put through a 18 months' course. The initial qualification required of a raw recruit is that he should possess at least an I.Sc. certificate. While the grant of a stipend of Rs. 80 per month to persons with already some experience of radio mechanics (and hence with some earning capacity) is understandable, it seems to us that such a stipend would be too high for raw recruits. It is recommended that in respect of candidates for the 18 months' course, the stipend should be reduced to Rs. 50 p.m. with, if necessary, payment of a return class III railway fare once a year from home town to the school.

15. The Department of Civil Aviation have prepared a programme of development involving an expenditure of over Rs. 56.5 crores in the next ten years. Of this amount, nearly Rs. 54 crores are intended for the

improvement of existing, and construction of new, aerodromes. In the ordinary course, this would have resulted in an expenditure in 1949—50 of over Rs. 7 crores on ærodrome construction and development. But with the recent decision of Government to reduce the expenditure on development programmes, the programme for the next year has been revised and it is now proposed to restrict expenditure to Rs. 2 crores only. An abstract of the proposed expenditure is given in annexure VI. The expenditure is primarily on essential works and on completion of works which have already commenced. In considering the expenditure on development programme in future years, the following principles should be borne in mind:—

(a) first priority should be given for expenditure on provision of training facilities in flying, flying control, ground engineering, etc.

(b) except at the five international aerodromes at Bombay, Delhi, Calcutta, Ahmedabad and Allahabad (the aerodromes at Ahmedabad and Allahabad are required as alternative landing grounds to Bombay, Calcutta and Delhi), the proposed improvement in aerodromes should be justified either by general administrative or defence needs, or if the expansion is needed to meet traffic demands, by the extra traffic expected during the next three to four years. It follows that new aerodromes would not be established or new communication centres opened solely for the needs of a commercial airline unless the extra cost involved is justified by receipts derived from the company.

(c) the construction of hangars, retiring rooms and rest-houses could be postponed for the time being. As far as hangars are concerned, the alternative of leasing the land for a suitable term to certain air companies who may feel like constructing their own hangars should be considered.

16. *Licencing of Aircraft and Aircraft personnel.*—The Civil Aviation Department is responsible for the registration of aircraft and for the grant of certificates of airworthiness in respect of registered aircraft. This department also holds tests and grants licences to pilots, navigators ground engineers, etc. The fees levied in respect of these licences are nominal. In view of the increase in the general level of prices, it is recommended that the scale of fees at present levied should be reviewed with a view towards their upward revision.

17. *Establishment.*—The Civil Aviation Department is presided over by the Director-General who is assisted by three Deputy Directors-General—one Deputy Director-General is in charge of training and licencing of personnel, general administration, maintenance of operational and technical recruits, accounts, etc., the second Deputy Director-General is in charge of inspection and licensing of air craft, checking of accidents, research into all matters relating to aircraft and aircraft navigation, etc., the third Deputy Director-General is in charge of aerodromes, radio communications, regulation of air services, etc. To look after the numerous aerodromes in the country there is a field organisation. The country is divided into four regions and each region is in charge of a Controller of Aerodromes stationed respectively at Delhi, Bombay, Calcutta and Madras. The staff provided in each aerodrome varies according to its class and is given in annexure VII. We have got the following comments to offer both with regard to the staff in the Directorate-General itself and in the field organisations.

(a) Of the three posts of Deputy Director-General, one post of Deputy Director-General could easily be dispensed with. This post has been recently created with a view to relieve the Director-General of administrative duties and to give relief to the other two Deputy Directors-General but in our opinion the volume of work does not justify this additional post.

(b) There is a Deputy Director, Research and Development assisted by a Senior Scientific Officer and a Scientific Officer. This officer is said to be concerned with research into engineering problems relating to modifications and repair of aircraft, operational problems concerning aircraft performances at various aerodromes, development and use of Indian materials for aircraft construction, giving advice on advanced aeronautical training, and the encouragement of fundamental research in aeronautics. The description of his functions is a sufficient indication of the inability of an organisation of this nature to cope with the work. In order effectively to discharge those functions, an independent institute with well-equipped laboratories, aircraft and other equipment will be necessary; which would require a considerable outlay in money and skilled personnel, which are not at present available. For the time being fundamental research into aeronautics could most appropriately be performed in the Aeronautical Division of the Indian Institute of Science, and research into engineering problems relating to modifications and repair of aircraft, performance of aircraft, etc. could be carried out partly at that place and partly in the Designs Section of the Hindustan Aircraft Ltd. The Officers-in-Charge of training centres should be capable of advising the Director-General on the planning of aeronautical training. The Director-General will require some assistance with regard to scientific problems that may arise during the course of day-to-day administration and for this purpose one Senior Scientific Officer should be sufficient.

(c) There are at present 4 Regional Controllers of Aerodrome—at Delhi, Madras, Bombay and Calcutta. The number of aerodromes under the jurisdiction of each Regional Controller area is as follows:

Region	Classification of aerodromes					
	International	Major	Intermediate 'A'	Intermediate 'B'	Minor	Total.
Bombay	1	2	..	1	2	6
Calcutta	1	..	2	8	8	19
Delhi	1	1	2	2	3	9
Madras	..	2	1	3	5	11
			Total	.	.	45

We feel that the Madras Region could be abolished and its work entrusted to the Bombay Region, and the Bombay Region given relief by transferring a portion of its jurisdiction to the Calcutta and Delhi Regions.

(d) With regard to the staff in aerodromes, we recommend that except at the aerodromes at Bombay (Santa Cruz), Calcutta (Dum-Dum), Delhi (Safdarjang), Madras, Ahmedabad, Allahabad and Nagpur, there should not be more than one aerodrome officer and one Assistant Aerodrome Officer at all other aerodromes. Also, the number of M. T. staff employed seems capable of reduction. We suggest that there should be an *ad hoc* reduction of 20 per cent in the overall M. T. staff employed.

The question of dispensing with the watch and ward staff in the aerodromes and substituting them by contingent of the provincial police force should also be negotiated with the provincial governments.

18. The savings accruing from the foregoing recommendations in regard to the Department of Civil Aviation will approximately be Rs. 1,90,000 [*vide* Annexure III (a)].

DIRECTORATE-GENERAL OF METEOROLOGY.

19. *Introductory.*—The Director-General of Meteorology is mainly responsible for providing co-ordinated *data* of the weather conditions in India to various Government departments and other interests. The most important user departments are the Civil Aviation Department and the Royal Indian Air Force. Others interested are Naval and Mercantile Shipping, Ports and Coastal districts subject to cyclones, irrigation, agriculture, industry and the general public particularly persons in Commerce and Industry.

Under an international convention, the Director General is at present preparing at least two zonal weather charts a day to meet the requirements of ships and five weather charts a day for air navigational requirements, for the wide area covered by the Indian Ocean, for which he receives weather messages from a number of countries. His other functions include the collection and dissemination of date relating to and investigation into terrestrial magnetism, seismology, solar physics, general astronomy, and astro-physics.

20. *Organisation.*—The Meteorological Department was, before the war, a comparatively small organisation with 38 officers and 338 ministerial staff, and an annual budget of Rs. 19·5 lakhs as against 139 officers, 1358 ministerial staff and an annual budget of Rs. 99 lakhs at present. The department is presided over by the Director-General with headquarters at New Delhi who is assisted by four Deputy Directors-General; one Deputy Director-General designated as Chief Administrative Officer at New Delhi is incharge of administration, recruitment, etc. The second Deputy Director-General at New Delhi is in charge of the workshops at Delhi and Poona which manufacture most of the upper air and ground instruments required by the department, arranges for the other supplies required by the department, and supervises the working of the hydrogen factory at Agra; the third Deputy Director-General at Poona is in charge of Geophysics and Climatology, maintains statistics, etc., and the fourth Deputy Director-General also at Poona is in charge of preparation of synoptic weather data, technical weather control and inspection of forecasting centres, etc. The field organisations are grouped into five regions each presided over by a Director.

The number of field stations (observatories, auxiliary centres, etc.) has increased considerably during the war.

Description	1938-39	Pre-Partition 1946	1948*
1. Forecasting Centres	3	26	14
2. Auxiliary Centres	6	16	11
3. Pilot Ballon Observatories	34	68	46
4. Radio Sonde Stations	. .	15	12
5. Aerodrome Reporting Centres (D Type Centres and Current Weather Stations) . .	11	47	39
6. Surface Observatories (excluding Non Departmental)	306	320	224

The weather forecasts given out by the Meteorological Department depend for their accuracy on the data collected from the field stations. The expansion of aviation activities in this country has considerably increased the demands on the Meteorological Department for weather forecasts both in respect of accuracy and of frequency and the Department has had to expand to meet this demand. In important aerodromes the Meteorological Department provides a 24 hours service of weather forecasting and in other aerodromes there is at least one Assistant Meteorologist to brief the pilots as they come in. We do not think that a reduction in the number of regional forecasting centres or field stations is possible.

21. Though no reduction in the number of field stations is considered possible, we feel that the regional office at Nagpur should be abolished and the observatories under the control of Nagpur region re-distributed among the other regions. The representatives of the Department conceded that it would be possible to close this region but added that the importance of this region lay in the fact that its existence facilitates prompt transmission of weather forecasts required by the agriculturists in the Central Provinces area. We are not convinced about the validity of this argument which, if accepted, would mean opening of separate regions in each of the provinces. The weather forecasts required by the agriculturists can be arranged through the All India Radio centres even without having to set up a separate office at each of the centres. This recommendation would result in the abolition of 1 post of Director, 2 posts of Assistant Meteorologists and a few of subordinate staff.

22. *Postwar development schemes.*—The Department has postwar development schemes which will cost, over a period of seven or eight years a capital expenditure of Rs. 1.62 crores. This is composed of Rs. 1 crore on account of accommodation and staff quarters, Rs. 32 lakhs for Meteorological development, and Rs. 30 lakhs for astronomical development including Rs. 25 lakhs for purchase and installation of a 60 in. telescope. We consider that the last scheme is not of pressing necessity and should be postponed for five years except for incurring any small outlay for purposes of preliminary investigation.

***The reduction is due to the partition.**

23. *One large item of expenditure in this department.*—Rs. 30 lakhs per annum—is on the despatch by telegram of weather data collected daily by the meteorological offices to their regional offices. The prewar expenditure on this item was only Rs. 7.5 lakhs. With the increasing number of observatories an increase in this expenditure is to be expected. But partly the increase is due to the withdrawal of a concession this Department enjoyed before the war of paying for its telegraph messages at a concessional rate. It seems to us that the present procedure of checking every message sent by the Meteorological department in order to assess the charges payable by the department is uneconomical. The messages transmitted are such that it should be possible by sample checks at odd intervals to assess the charges recoverable on an annual basis.

A too careful calculation of the changes payable by one department to another is unnecessary. We recommend the adoption of the above procedure. If such a procedure is adopted, the staff in the Telegraph Department engaged on the preparation and checking of the Telegraph bills of the Meteorological department should be reduced, by 80 per cent.

24. The Director General has also under his control four Seismological Observatories, two Magnetic Observatories and one Solar Observatory. These are small units intended for research work and we have no comments to make on these organisations.

25. *Hydrogen Factory, Agra.*—The Hydrogen Factory at Agra is manufacturing only hydrogen and the bye-product viz. oxygen, is wasted. The cost of manufacture works out at about Rs. 10 per hundred cubic ft. of hydrogen which is excessive. This is attributed to the present high cost of electricity at Agra. It should perhaps be possible to reduce the cost of hydrogen by establishing an additional plant to secure the oxygen and supply them to hospitals in the areas near about Agra. We suggest that this should be examined. In the alternative, Government may also examine whether hydrogen of the requisite quality cannot be produced at a cheaper rate from indigenous manufacturers.

26. *Headquarters Staff.*—As already stated, the headquarters of the Department are now divided between Delhi and Poona. This division and the rather over-elaborate headquarters administration has resulted in a great increase of staff. The total gazetted staff at both places is:

1 Director General,
4 Deputy Directors General,
2 Directors,
18 Meteorologists and
28 Assistant Meteorologists.

Our recommendations in regard to this organisation are:

(a) The Director General of Observatories should be shifted from Delhi to Poona. It was urged that the Director General's presence in Delhi enabled him to have personal contact with high officials of the Government, with the Air Headquarters, the Agriculture Ministry, the Central Waterways, Irrigation and Navigation Commission and other Departments of Government. On the other hand, the Director General is primarily a scientific expert who is expected to supervise closely the scientific work of his own Department. All the important scientific work of this Department is concentrated in or near Poona. The Central Forecasting Section, the main departmental library and the Study and Publications Section are at Poona while the teleprinter net-work, the Arabian Seas Tide-warning Centre and the Geophysical centre are nearby. The balance of advantage, in our opinion, therefore lies with Poona being selected as the Headquarters of the Department. The offices of the Deputy Director General, Instruments and Supplies and of the Chief Administrative Officer, now at Delhi, should also be shifted to Poona. There should, however, be a Liaison Officer of the grade of Director at Delhi to maintain contact with the Government headquarters here. The Director General, Observatories will no doubt visit Delhi as and when his presence is necessary.

(b) The volume of work does not justify the existence of separate offices of the Deputy Director General, Climatology and Deputy Director General, Forecasts and these offices can be combined under one Deputy Director General designated as Deputy Director General, (Technical Services) without any loss of efficiency.

(c) At present, the workshop at Poona manufactures certain radiosonde and distributes them to eight or nine stations, while the workshop at Delhi manufactures a different type of radio-sonde instrument for three stations. It is important that the instruments used by the Department should be standardised and the manufacture, calibration and distribution of the instruments concentrated at one place—Poona.

(d) The regional headquarters at Nagpur should be abolished and its work-re-distributed among the other four regions. The Forecasting Centre at Nagpur will however continue.

27. In the light of the above recommendations, the future set up of the organisation should be as in the chart at Annexure I(b); the savings in the expenditure of the Department as a result of these recommendations will be Rs. 6,82,000.

Posts and Telegraphs Department.

28. *Functions.*—The Department of Posts and Telegraphs, which is presided over by the Director General of Posts and Telegraphs, is primarily responsible for administering the postal, telegraph and telephone services in the country. This Department also carries out certain other important functions as an agent of Government e.g. Savings Bank, the Postal Life Insurance and the sale of National Savings Certificates.

29. *Increase in work.*—The work in this department has increased very considerably since 1938-39, as will be clear from the following table:—

	(Figures in million)	
	1938-39.	1946-47.
Letter Mail	1,230	2,244
Parcel Mail (All kinds)	1·1	1·5
Telephone Trunk Calls	2·2	4·6
Telegrams	16·3	30·0

The increase in telegraph and telephone traffic would have been much greater, had the Posts and Telegraphs Department been able to handle it. With the increase in literacy and in trade and commercial activities, it would be reasonable to expect that the demand by the public on the services rendered by the Posts and Telegraphs Department will continue to grow.

30. *Inefficiency of Service.*—Our general impression of the working of the Department is that there is no systematic effort to study and effect improvements in the processes of work with a view to provide a more efficient service to the public. It is not suggested that no improvements whatever have been made. The recent introduction of the night air mail service is indeed a big step forward. The Department has plans for further extending these facilities. There has been recently a marked improvement in the efficiency of the trunk telephones. But broadly speaking the postal, telegraph and the telephone services in this country lag far behind similar services in other advanced countries and we are of the view that there is considerable scope for improvement. For example, one need only mention the time taken to book a telegram or register a parcel in any post and telegraph office in the country. The procedure, apart from being irksome and irritating, wastes a good deal of public time. The delay in the delivery of telegrams is notorious: and the messages often get mutilated in transmission. The telephone services present an equally sorry picture. The frequency with which telephones go out of order even in important places like Bombay, Calcutta and New Delhi and the time taken to set them in order are subjects of frequent complaints. The Department is also unable to meet the demands for new telephones. Again it is a common experience in Delhi that the actual bill for a trunk call is received months after the trunk call is made. The delay in presentation of the bill naturally results in delay in the collection of the dues.

31. *Recommendations.*—Some of these defects are said to be due to the shortage of essential supplies but it is wrong to ascribe all defects in the working of the Department to such causes. It is impossible for our Committee to examine carefully the activities of a large organisation like the Posts and Telegraphs Department, which is spread all over the country and extends to remote places. Without such examination it would be difficult for us to make suitable recommendations. We have accordingly confined ourselves to the examination of the Headquarters organisation of the Department. But we would draw the attention of Government to the need for a thorough examination of the working of the whole Department with a view to suggest ways and means for rendering a more efficient service and generally to rationalise and modernise its working and suggest that the Government should set up a committee to undertake such investigation and make recommendations.

Headquarters Organisation.

32. *Postal Branch.*—The Department of Posts and Telegraphs is divided into two main branches—the Postal Branch and the Telegraphs Branch (including Telephones). There is in addition a Construction Wing which is responsible for all 'development' work. The Postal Branch is under a Senior Deputy Director General of Posts and Telegraphs, who is assisted by two Deputy Directors General, four Directors, one Assistant Director General, one Administrative Officer and seven Assistant Deputy Directors General. We have examined the working of this branch and

recommend, for the reasons given below, that it should be re-organised as in the chart at Annexure I(c):—

(a) We do not think that the post of Senior Deputy Director General is necessary. He is supposed to be responsible for the administration of the whole directorate and to supervise the activities of the two Deputy Directors General. The administration is properly the responsibility of the Director General, Posts and Telegrahps and the introduction of a buffer between him and the Deputy Directors General seems scarcely necessary. In point of fact, the Senior Deputy Director General spends a lot of time on 'personnel' work. 'Personnel' work whether on the postal side or on the telegraph side presents many common features and we feel that it would provide for more efficient despatch of business if all 'personnel' matters—postal, telegraph and telephone, are concentrated under one Deputy Director General working directly under the Director General, Posts and Telegraphs.

(b) A post of Deputy Director General (Complaints) and two posts of Assistant Deputy Director General were created soon after the partition in order to cope with the large volume of complaints and applications regarding the working of the Posts and Telegraphs Department. This arrangement was useful when, due to sudden dislocation caused by partition, a number of services had to be completely reorganised and complaints were frequent. At the present time, however, there does not seem to be any necessity for such a high-powered officer to be employed merely on dealing with complaints. As most of the field work is attended to by the circles, these complaints can be usefully dealt with only by the circles, where they originate. Setting up another independent agency at headquarters will only involve divided responsibilities and will interfere with the work of the circles. Such a course is therefore to be deprecated. We, therefore, recommend that the post of Deputy Director General (Complaints) be abolished and the work looked after at headquarters by one Assistant Deputy Director General only.

(c) We note that it has been recently decided to throw open the Postal Life Insurance to Defence Services personnel. They will be charged premia at the same rates as the civilians; but the appropriate rate to be paid by them in view of the hazardous nature of their occupation will be worked out separately, actuarially, and the difference will be borne by the Defence Estimates. The throwing open of the Postal Life Insurance to the Defence Services personnel is expected to cause a considerable increase in the volume of work. We understand a separate office is being opened to look after the Postal Insurance Fund. The Headquarters organisation will not consequently be called upon to shoulder much extra work.

(d) Recently an officer of Director's status has been appointed as Registrar of Co-operative Credit Societies in the Directorate General. He is intended to be responsible for organising Co-operative Credit Societies among postal employees. The Co-operative Credit Societies will in any case work under the general direction of the Provincial Registrars of Co-operative Societies. One of the functions of the Welfare Officers attached to the various circles should be to promote 'co-operation' among the employees. There is no scope therefore for employing at headquarters an officer of Director's status for this purpose This post should be abolished.

33. *Telegraph Branch.*—This branch is in charge of the Chief Engineer who is assisted by three Deputy Directors General, one Deputy Chief Engineer, four Assistant Chief Engineers, one Controller of Telegraph Traffic and six Assistant Deputy Directors General. Of the three Deputy Directors General, one is in charge of telegrams, the other is in charge of telephones and the third is in charge of staff matters. As stated above, we feel that the 'personnel' work of the postal and the telegraphs branches should be combined under a single Deputy Director General. It is understood that a certain amount of work relating to senior subordinate staff is still handled at headquarters. This is wrong in principle. In our view the control of all non-gazetted staff should be delegated to Heads of Circles, except that promotions from non-gazetted ranks to the gazetted grades may be reserved, if so desired, for the Director General, Posts and Telegraphs. Considering that all development work is in charge of an Additional Chief Engineer and that the executive work of the Department is carried out in the circles, we fail to see the necessity for the post of Deputy Chief Engineer in addition to the post of Chief Engineer. This branch should be re-organized as in the chart at Annexure I (c).

34. *Construction Wing.*—This wing is in charge of an Additional Chief Engineer who is assisted by three Directors, twelve Divisional Engineers and thirty seven Class II officers. This branch is responsible for the designing and construction of a number of new telephone exchanges, telegraph circuits and equipment. The construction work is done by the regular field staff but this wing maintains a pool of officers who are deputed to assist the regular staff. Big jobs like the construction of the Calcutta Automatic Exchange are, however, given out to contractors. While we appreciate the need for this branch, we feel that, in view of the recent cuts imposed on the development programme of the Department because of financial stringency, it should be possible to keep in abeyance at least four posts of Divisional Engineers and twelve posts of class II officers.

35. *The Director-General.*—The Director General's relations with the Ministry of Communications are rather undefined. In the disposal of the day-to-day work of the Department he is assisted by a Board which meets regularly and takes decisions on important matters. This Board consists of the Director General as Chairman and the Senior Deputy Director General (Postal), the Chief Engineer (Telegraphs) and the Joint Secretary, Ministry of Finance (Communications) as Members. Cases beyond the powers of this Board and requiring the orders of Government were till recently submitted by the Director General directly to the Hon'ble Minister and they were not, except on rare occasions, seen by Secretary either on their way to, or on their way back from, the Minister. It was stated that this procedure, for which there was no authority except that of usage, has been recently modified and all cases which require the Hon'ble Minister's orders now go through the Secretary. It was urged in support of the revised practice that it will bring the Posts & Telegraphs Department into line with other attached offices of Government. The Posts & Telegraphs Department is a big commercial organisation and if all papers requiring reference to Government are to be passed by the office of the Director General, Posts & Telegraphs through the Ministry of Communications, that Ministry would have to be expanded considerably. Moreover, such a system is bound to lead to delay in the disposal of cases. We cannot recommend, solely with a view to develop

a uniform routine, the abandonment of a usage which has worked successfully for a number of years and is clearly economical in practice. In our view the present practice under which the Director General, Posts & Telegraphs refers cases directly to the various Ministries of Government should continue. We recognize, however, the need for defining clearly the relations of the Secretary of the Ministry *vis a vis* the Director General, Posts & Telegraphs and for retaining unimpaired the responsibility of the Secretary for an office under his administrative control. We therefore suggest that all cases on which the Director General requires the orders of the Hon'ble Minister should pass through the Secretary. A case put up by an officer of the status of the Director General, Posts & Telegraphs for orders of the Hon'ble Minister should be capable of being dealt with by the Secretary without further assistance from his Secretariat. No augmentation of the staff of the Ministry will therefore be necessary because of this modified procedure. But as part of the Secretary's time will be taken up in dealing with Posts & Telegraphs Department papers, he should be in a position to delegate some of his work to a junior officer. We suggest that the strength of the Ministry should be augmented by a Deputy Secretary.

36. *Workshops.*—There are three workshops at Calcutta, Jubbulpore and Bombay, which are engaged mainly in repairing the equipment of the Posts & Telegraphs Department, though to a small extent they also manufacture some of the equipments required. The machinery in these workshops is very old and a visit to the Alipore workshop confirmed this. The methods of keeping the stores in the Alipore Store Yard are also unsatisfactory. Many stores are lying in the open unprotected and have seriously deteriorated. Stocks of essential items are also said to be low. On the other hand, admittedly all the labour in these workshops is not fully employed. Many labourers are being continued in service on the ground that if they are discharged, there may be a strike. No Department can afford to carry staff unnecessarily and without work for any length of time. It should perhaps be possible to find work for these labourers without difficulty on the development schemes of the Posts and Telegraphs Department, though not necessarily at the places where they are at present employed. Such of the labourers for whom there is no work should be discharged forthwith.

37. *Wireless Communication.*—Four High-powered Wireless Transmission Stations are being established at Delhi, Bombay, Madras and Calcutta to provide an alternative channel of communication between important centres and to supplement the existing land lines. Once these stations are established, the Expert Committee which we have recommended (Para. 31) should examine the best method of utilising all available radio links.

THE INDIAN TELEPHONE INDUSTRIES

38. Recently, the Ministry of Communications have started a Telephone Factory at Bangalore with the assistance of Messrs. Automatic Exchange Telephone Co. Ltd. The factory is intended to manufacture all telephone equipment needed by the Posts and Telegraphs Department and which cannot be turned out from any of the existing workshops of the Department. Production has already started and a few telephone receivers have been manufactured. We are glad to note that the Ministry of Communications have within a short time taken effective

steps to establish this industry in the country. It is desirable, however, that the factory should be so planned as to avoid the danger of over production. It is understood that there is a demand at the moment for 50,000 telephone connections. Besides, every year a certain number of telephones will be required to replace the telephones already in service as they become worn-out. Plans of production should also take into account the increase in demand for telephones though it is well to remember that the present demand for new telephones carries to back-log of a number of years and is not likely to be sustained at the present rate.

39. The savings in the headquarters expenditure of the Posts & Telegraphs Department, consequent on our recommendations, will be Rs. 2,50,000

OVERSEAS COMMUNICATION SERVICE.

40. This service is responsible for the working of telegraph by cable or wireless, radio telephone and radio photo service between India and foreign countries. The service was nationalised with effect from 1st January 1947 before which it was being worked by a private company, viz., Indian Radio and Cable Communications Company Ltd.

41. *Previous history.*—In order to understand fully the financial arrangements existing at present in regard to this Service, it is necessary to get a clear picture of the arrangements before this service was nationalised. The first radio telegraph service was inaugurated in India in September 1927 by the Indian Radio Telegraph Company, 20 per cent of whose capital was subscribed in India and the rest overseas, the largest single interest holding these shares abroad being the Marconi interests. In 1932, with a view to avoid competition between the radio telegraph service and the submarine cable service which was owned by the Cable & Wireless Co. of U. K., both the services were amalgamated and a new company was formed under the name of the Indian Radio and Cable Co. Ltd. Under the terms of amalgamation, the new Company was to be permitted to use the cables between India and overseas countries and was to pay to Cable & Wireless Co., maintenance charges of £90,000 per annum for their use, and 50 per cent of the net profits of the new company. In addition to these payments, the Indian Company was also able to pay on an average a dividend of 15 per cent on the paid-up capital (only 12 per cent on deferred shares), and as 80 per cent of this capital was in English hands, the bulk of this profit also went to the U. K. (by 1932 the Marconi interests had sold out their holdings to English investors). This position continued till about 1945.

42. In July 1945, a Commonwealth Tele-Communications Conference was held in London, which came to an "overall agreement" under which the different tele-communications services were to be nationalised, a system of joint use of the various radio and cable communications by the Commonwealth countries was decided upon and a Commonwealth Tele-Communication Board was set up, subject to the following conditions:—

(i) The expenses of the Board should be met by the member Governments in proportion to the net revenues of the Commonwealth system as a whole;

(ii) Any deficiency in the U. K. Overseas Communications Administration should also be similarly met by the member governments.

The Indian Radio and Cables Co. Ltd. and the Cable and Wireless Co. of U. K. were nationalised as a result. Under this arrangement, it was expected that India's share of contributions would amount to about 7 per cent or about Rs. 7·5 lakhs per annum.

43. In March 1947, the U. K. asked for revision of the financial clauses in the "Overall Agreement" as it considered that it would mean a fresh liability of nearly a million pounds per annum to the U. K. Overseas Communications Administration. As a result, in November 1947, a Committee of Financial Experts representing the Commonwealth countries recommended a revised financial arrangement, viz., a system of "Wayleave payments" by the partner governments to the U. K. Overseas Communications Administration for the use of the "Common User System" comprising the Oceanic Cable System, wireless stations used for transit traffic or landlines used for carrying transit traffic between the Commonwealth countries. Under this scheme, the partner governments would retain the revenue collected by them from originating traffic (except for traffic payments to other foreign administrations), and there would be no adjustments between the partner governments in the case of commonwealth to commonwealth traffic. The total expenses of the Common User System would be apportioned between the common user governments in proportion to the net revenues of the entire Commonwealth system. India's share of these expenses has been estimated at seven per cent. of the total expenses, equal to about Rs. 37 lakhs per annum. This agreement has been ratified so far only by the U. K. Government. Meanwhile, the Government of Australia has again sought to reopen the whole financial arrangement on the score that the "wayleave payment" scheme is unfair to them. It is expected that the whole question will be re-examined a fresh in a conference to be held in April 1949. Any agreement signed is likely to provide for a reconsideration of the financial clauses, after an initial period of six years, and for termination of the agreement thereafter by two years' notice by any member country. If, meanwhile, India goes out of the Commonwealth, the agreement automatically terminates.

44. *Financial implication of the proposals.*—Under the agreement of 1932, which brought into existence the Indian Radio and Cables Co. Ltd., the latter would have paid to the Cable and Wireless Co. in the U. K., the following amounts:

Rs. 12 lakhs on account of cable maintenance;

Rs. 25 lakhs, being 50 per cent. of the nett profits payable to that Company (out of which about Rs. 11 lakhs was paid to Indian Revenues as income-tax).

Rs. 26 *lakhs nett.*

plus dividend on the share capital amounting to about Rs. 5 lakhs per annum. The last is no longer payable now as the Government has bought over the assets of the Company at a cost of Rs. 65·5 lakhs.

Under the overall agreement of 1945, India's payments would have amounted to about Rs. 7:5 lakhs per annum. Under the revised financial clause proposed in November 1947, India would have to pay about Rs. 37 lakhs.

45. We feel that the decisions taken at the last conference were not quite fair to India. Conditions have altered considerably since the Agree-

ment between the Indian Radio Co. and the Cable and Wireless Ltd. was first signed in 1932. Firstly, India has acquired the entire assets of the India Radio and Cable Co. Ltd. by paying Rs. 65.5 lakhs to the shareholders. Secondly, the Cable and Wireless Co. and their successors have established alternative traffic from Burma and Pakistan areas to the U. K., with the result that India has lost revenue. Thirdly, India's interest in securing the continued use of the submarine cable service is comparatively limited. If these factors had been given due weight, India's payments should have been fixed at considerably less than Rs. 26 lakhs per annum. The crux of the issue is to consider the financial and other effects of establishing direct channels of radio communication with overseas countries and negotiate a settlement which is mutually advantageous. The representatives of the Ministry of Communications had no idea of the financial effect of any alternative arrangement which may be made outside the Commonwealth system. We should have thought that it was a matter of ordinary prudence before agreeing to increase India's payments from Rs. 7.5 lakhs to Rs. 37 lakhs per annum for this point to have been fully examined. Under the agreement of 1932, India will continue to pay 50 per cent. of her net profits on the Overseas Communications Service to the Cable and Wireless Co. till the new agreement is reached. There is no justification for this payment at present. Irrespective of any decision to be arrived at the ensuing Commonwealth Conference, we recommend that India should immediately negotiate with the U. K. Government with a view to secure a reduction of the liabilities under the existing contract, in the light of the above comments.

46. *Services.*—The services worked at present are.

(i). (a) Radio Telegraphy, which includes cables to the U. K. the U. S. A., China, and Australia. These are connected by direct circuits from India.

(b) To other parts of the world a telegram can be sent through the system worked by 'C and W'.

(ii) Radio Telephone which is essentially to London, but *via* London the Service can be extended to any other part of the world covered by 'C & W'.

(iii) Radio Photo Telegraphy: This is merely only a nominal service and has not taken root so far.

There are at present only two transmitting stations at Delhi and Poona. There is a receiving station at Dhond and another at Delhi. Messages originating in Bombay are sent as telegrams to Kirkee and from there are radiated to London. In the reverse direction they are received at Dhond and go automatically by telegram to Bombay and are thence recorded. Similarly, but without the necessity of transmission by telegram, the transmitting and receiving stations are worked at Delhi.

On the existing Services, our recommendations are as follows:—

(a) The direct circuit between India and U.S.A. is operated in the latter country by Messrs. Mackay and Co. This company is able to handle only 20 per cent. of the traffic. The rest of the traffic has to go *via* London. This results in India having to pay part of her traffic revenues realised on messages to USA to the UK for relaying the messages from London to the USA. Further this arrangement involves delays. A direct circuit between the U.S.A. and India capable of handling the entire traffic should therefore be negotiated as soon as possible.

(b) The need for continuing the use of the cables should be examined afresh. The reasons given for retaining the cables are that in times of emergency, communications by cable ensures secrecy. Cables have also their own disadvantages. Many other countries manage their overseas communications with the help of radio only and in our opinion, too much importance to the cable system should not be attached in the present conditions.

(c) It is understood that there is considerable scope for development of traffic with countries like Switzerland, Turkey, Persia, Egypt, etc. The question of establishing direct circuits where they are likely to be economical should be examined.

(d) Before the war India had direct wireless communication with Japan which was yielding a revenue of about Rs. 12 lakhs per annum. A direct circuit with Japan should be established early. The Occupation Authorities in Japan have already, it is understood, agreed to provide a direct circuit if the traffic justifies it. As it is understood that the minimum traffic specified by them has already been attained, there should not be any difficulty in having a direct circuit.

(e) At Kirkee, the Overseas Communications Service have their own power-house. The generating cost is high and it is understood that if power supply is taken from the Tatas, there will be a substantial saving in the running cost. Government should, therefore, make early arrangements with the Supply Company for this purpose.

(f) The Radio-Photo telegraphy is at present only a nominal service and the traffic is little as sufficient publicity has not apparently been given to this service. The advantages of a service of this nature should be given due publicity so that the revenue receipts from this source can be increased.

(g) While the rates for Radio communications within the commonwealth countries seem to be reasonable, the rates for such communications with foreign countries like Egypt, Switzerland, France etc., are very high. The reason for the prevalence of these high rates is not clear to us but is very likely the fact that no negotiations for bringing down the rates have been started with any of the countries concerned. As the existing rates are having an unfavourable effect on the trade activities between India and such countries, the Ministry should examine urgently the possibility of getting the rates reduced after negotiations.

47. Under the normal procedure of government the machinery equipment and buildings owned by the overseas Communications Service are not insured. The result of this has been a fictitious increase in the net profits to the extent of the amount of annual insurance. A *pro-forma* debit for the usual insurance charges should be made to the profit and loss account of the Overseas Communications Service.

48. *Organisation.*—The headquarters organisation of the Overseas Communications Service at Bombay consists of a General Manager at the head of the service, assisted by one Deputy General Manager, one Chief Engineer, one General Traffic Manager and a Chief Accountant. The office establishment has 30 clerks at the headquarters office and including the staff at the branches at Bombay, Kirkee, Dhond, Madras and New Delhi the total staff numbers about 700. It is understood that the staff taken over by Government from 1st January 1947 have not received so far the final terms on which their services would be retained under

Government. As this delay of over two years in announcing the terms is said to be causing dissatisfaction among the staff, Government should give the utmost priority to this work and settle the terms by 31st May 1949 at the latest.

THE MINISTRY

49. The Ministry has a Secretary, a Deputy Secretary, two Under/Assistant Secretaries, an Officer on Special Duty and seven branches. In our opinion, it is organised on an efficient and economical basis. We were, however, informed by the Secretary of the Ministry, that as a result of change in the procedure introduced recently in the Directorate-General of Posts & Telegraphs, whereby questions which formerly used to be submitted to the Hon'ble Minister direct are now routed through the Secretary of the Ministry, the Ministry needs strengthening by the addition of one Deputy Secretary, two Under Secretaries and appropriate ministerial staff. Reference to this change has already been made by us in paragraph 35, of this Report dealing with the Directorate-Genearl of Post and Telegraphs. We are satisfied that if the method of work indicated therein is adopted, this change in procedure should not throw any additional work on the branches in the Ministry but would require strengthening only at the officer level. We recommend, therefore, the creation of one more post of Deputy Secretary for this purpose. The revised strength of the Ministry should be as shown in Annexure I (a).

50. We have no recommendations on the Railway Inspectorate.

51. The financial effect of our recommendations on the Ministry and the Departments under it is a saving of Rs. 11,14,500 details of which are to be found in Annexure III.

52. *Summary of recommendations.*—The following is a summary of our main recommendations—

Civil Aviation.

(a) Provision of training facilities should receive high priority (para. 4).

(b) The growth of air transport companies should be rationalised and the existing number of commercial aviation companies should be reduced by amalgamation of the existing companies; and the Air Transport Licensing Board should be abolished. (Paras. 8 and 9).

(c) The arrangements for training pilots, and for encouraging flying should be reviewed in the light of the remarks in para. 11.

(d) There should be close co-ordination between the R. I. A. F. and Civil Aviation in the matter of recruitment of pilots. (Para. 12).

(e) Government should take steps to encourage the formation of gliding clubs all over the country. (para. 13).

(f) The stipend for candidates in the Saharanpur Training School should be reduced. (Para. 14).

(g) The programme for development of Civil Aviation in future years should be drawn up having regard to the principles laid down in para. 15.

(h) The scale of fees at present levied for registration of aircraft, etc., should be reviewed with a view to their upward revision. (Para. 16).

(i) The establishment of the Civil Aviation Directorate should be curtailed as indicated in para. 17.

India Meteorological *Department.*

(j) The scheme for the development of astronomical observatories and the purchase and installation of a 60" telescope should be postponed for five years except for incurring any small outlay for purposes of preliminary investigation. (Para. 22).

(k) The present system of charging the Meteorological Department by each weather telegram sent by the Department, should be replaced by a system of charging on an annual basis, this will reduce the staff in the Telegraph Department for checking telegraph biils of the Meteorological Department by 80 per cent. (Para. 23).

(l) Government should examine the possibility of reducing the cost of hydrogen manufactured at Agra if necessary by making commercial use of oxygen now wasted as a by-product. (Para. 25).

(m) The headquarters organisation and the workshop of the Meteorological Department, now at Delhi should be transferred to Poona and the Department should be reorganised as suggested in para. 26.

Posts and Telegraphs Department.

(n) Government should set up a Committee to undertake a thorough examination of the working of the whole Posts and Telegraphs Department with a view to suggest ways and means for rendering a more efficient service and generally to rationalise and modernise its working. (Para. 31).

(o) The Postal branch of the Posts and Telegraphs Department should be reorganised as suggested in para. 32.

(p) The present system of charging the Meteorological Department by each weather telegram sent by the Department should be replaced by a system of charging on an annual basis; this will reduce the staff in the Telegraph Department for checking telegraph bills of the Meteorological Department by 80 per cent. (Para. 23).

(q) The Telegraph branch of the Posts and Telegraphs Department should be reorganised as in the chaxt at Annexure I (c). (Para. 33).

(r) In view of the recent cuts imposed on the development programme, at least four posts of Divisional Engineer and twelve posts of Class II officers in the Constructing wing should be kept in abeyance. (Para. 34).

(s) The relations between the Director General and the Ministry should be as in para. 35

(t) The surplus labour in the departmental workshops should be transferred forthwith to work on development schemes and such of the labour as cannot be thus absorbed should be discharged. (Para. 36).

(u) The expert committee recommended in para. 31 should examine the best method of utilising all available radio links, once the four high-powered wireless transmission stations are established at Delhi, Bombay, Madras and Calcutta. (Para. 37).

(v) The Telephone factory at Bangalore should be so planned as to avoid the danger of over-production. (Para. 38).

Overseas Communications Service.

(w) India should immediately negotiate with the U. K. Government with a view to secure a reduction of the liability under the existing contract for a share of the expenses of the Common User system of overseas communications in the light of the comments in para. 45.

(x) The services worked at present by the Overseas Communication service should be reorganised in the light of the comments in para. 46.

(y) A *pro-forma* debit for the usual charges for insurance of building, etc., should be made to the profit and loss account of the Overseas Communications Service. (Para. 47).

(z) Government should settle, by the 31st May 1949 at the latest the terms on which they would retain the services of the staff whom they have taken over from the 1st January 1947. (Para. 48).

Ministry.

(aa) The set up of the Ministry of Communications should be as in Annexure I (a). (Para. 49). (Existing set up shown in Annexure II).

KASTURBHAI LALBHAI, *Chairman*.
B. DAS.
S. K. PATIL.
JAIPAL SINGH.
ISHWAR DAYAL.
} *Members*.

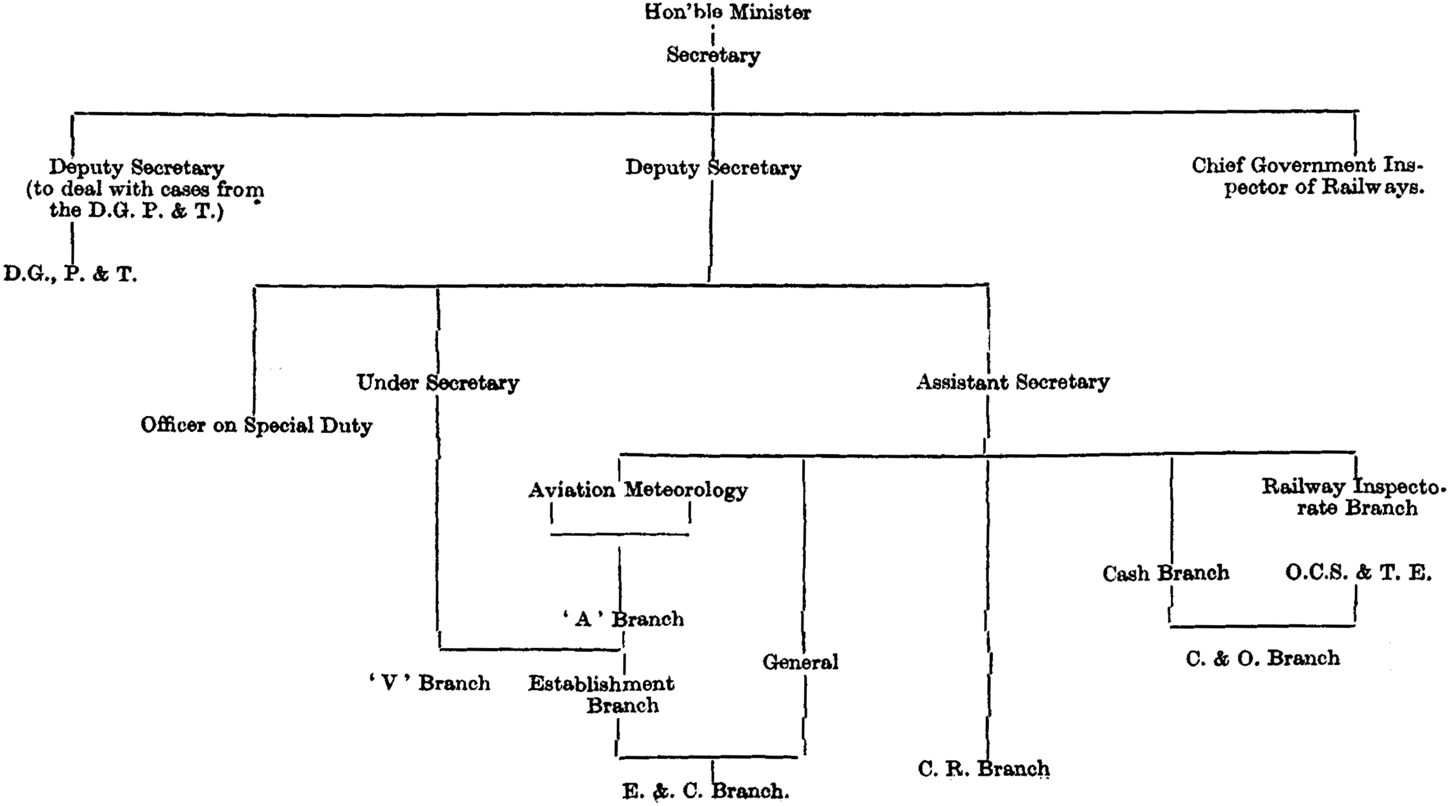
P. V. R. RAO.
Officer on Special Duty.

G. S. RAU.
Secretary.

New Delhi, the 12th April, 1949.

ANNEXURE I (a) (Para. 49)

Proposed set up of the Ministry of Communications.



ANNEXURE I (b)

(Para. 26)

Proposed set up of the India Meteorological Department.

The non-gazetted staff in the proposed set-up is shown under various categories as below :—

(*i*) 'A'—posts on a scale of pay of Rs. 250-500 (Supdts. Professional Asstts. etc.)

(*ii*) 'B'Posts on a scale of pay of Rs. 200-330 or Rs. 160-330. (Chief observer Head Clerk, Met. Asstts. scientific Asstts. etc.)

(*iii*) 'C' Posts on a scale of pay of Rs. 100-200 or Rs. 100-185 (Senior observers Draftsmen, etc.)

(*iv*) 'D'Posts on a scale of pay of Rs. 80-220. (stenographers, storekeepers, Assistants, U. D. Clerks etc.)

(*v*) 'E'Posts on a scale of pay of Rs. 60-150 (observers, clerks etc.)

(*vi*) 'F'Posts on a scale of pay of Rs. 55-130 (L. D. clerks, storekeepers, etc.)

1. *Headquarters,* at POONA

Director General.

Coordination, General Planning, Public, Foreign Relations, etc.

1. Meteorologist

4. 'A' posts.

4. 'B' posts.

2. *Liaison staff at* DELHI

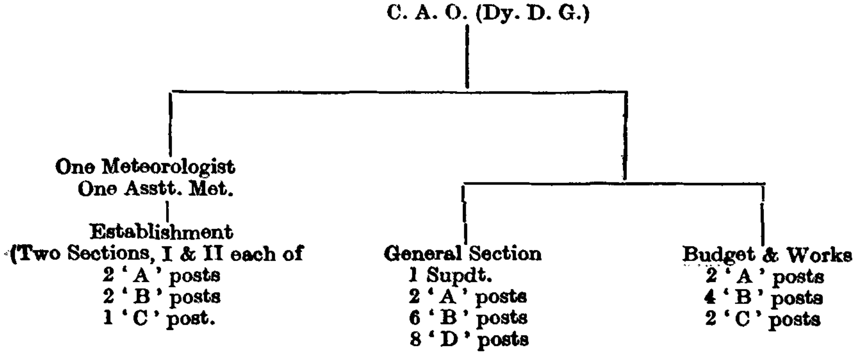
A Director-Liaison officer

One Assistant Meteorologist.

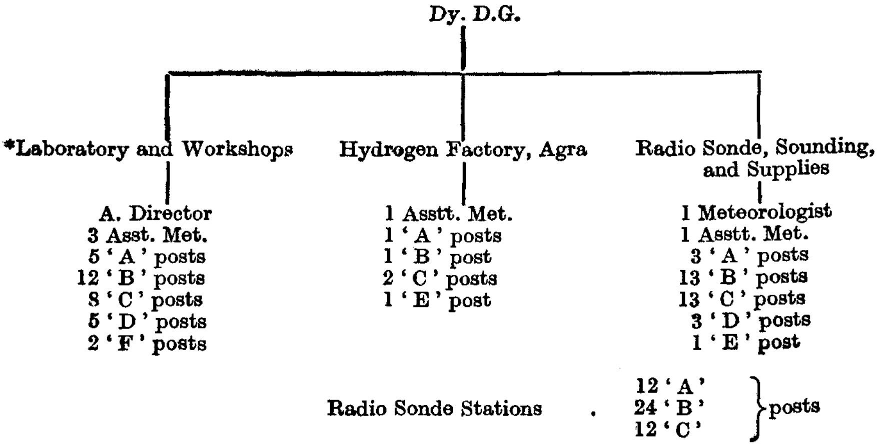
2 'A' Posts

2 'B' posts

3. *Chief Administrative Officer* (at POONA)



4. *Instruments and Supplies* (at POONA)

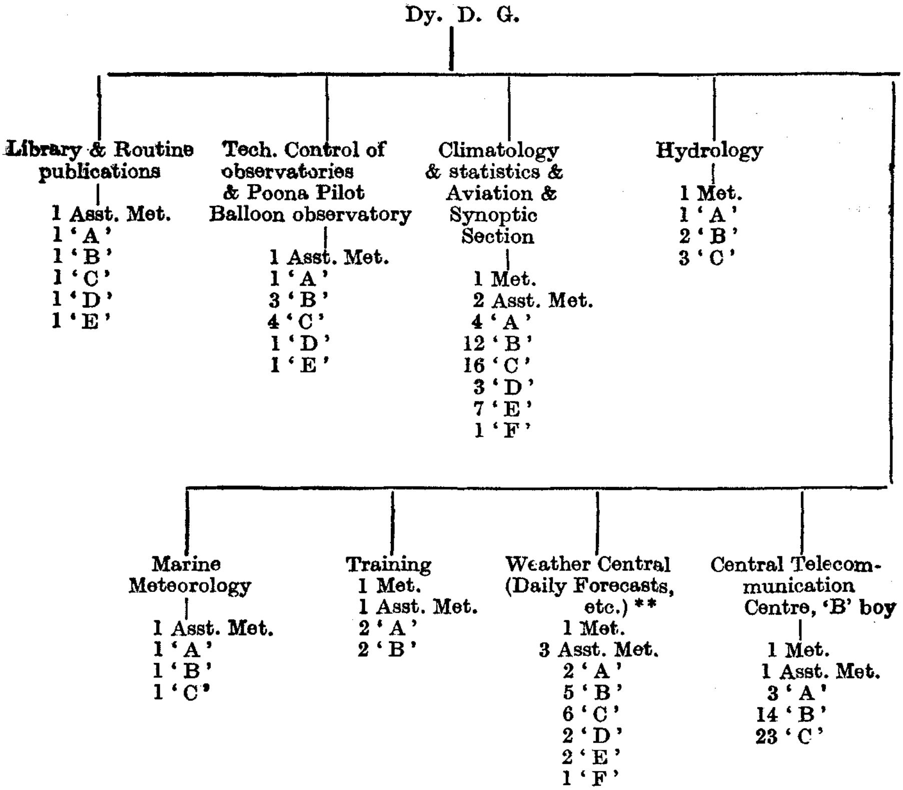


- Dy. D.G.
  - *Laboratory and Workshops
    - A. Director
    - 3 Asst. Met.
    - 5 'A' posts
    - 12 'B' posts
    - 8 'C' posts
    - 5 'D' posts
    - 2 'F' posts
  - Hydrogen Factory, Agra
    - 1 Asstt. Met.
    - 1 'A' posts
    - 1 'B' post
    - 2 'C' posts
    - 1 'E' post
  - Radio Sonde, Sounding, and Supplies
    - 1 Meteorologist
    - 1 Asstt. Met.
    - 3 'A' posts
    - 13 'B' posts
    - 13 'C' posts
    - 3 'D' posts
    - 1 'E' post

Radio Sonde Stations . 12 'A', 24 'B', 12 'C' posts

*The staff sanctioned for this section takes into account the requirements of research also.

5. *Forecasts, climatology and Geophysics* (at POONA)



- Dy. D. G.
  - Library & Routine publications
    - 1 Asst. Met.
    - 1 'A'
    - 1 'B'
    - 1 'C'
    - 1 'D'
    - 1 'E'
  - Tech. Control of observatories & Poona Pilot Balloon observatory
    - 1 Asst. Met.
    - 1 'A'
    - 3 'B'
    - 4 'C'
    - 1 'D'
    - 1 'E'
  - Climatology & statistics & Aviation & Synoptic Section
    - 1 Met.
    - 2 Asst. Met.
    - 4 'A'
    - 12 'B'
    - 16 'C'
    - 3 'D'
    - 7 'E'
    - 1 'F'
  - Hydrology
    - 1 Met.
    - 1 'A'
    - 2 'B'
    - 3 'C'
  - Marine Meteorology
    - 1 Asst. Met.
    - 1 'A'
    - 1 'B'
    - 1 'C'
  - Training
    - 1 Met.
    - 1 Asst. Met.
    - 2 'A'
    - 2 'B'
  - Weather Central (Daily Forecasts, etc.) **
    - 1 Met.
    - 3 Asst. Met.
    - 2 'A'
    - 5 'B'
    - 6 'C'
    - 2 'D'
    - 2 'E'
    - 1 'F'
  - Central Telecommunication Centre, 'B' boy
    - 1 Met.
    - 1 Asst. Met.
    - 3 'A'
    - 14 'B'
    - 23 'C'

**The staff sanctioned for these sections includes requirements for research.

6. *Agricultural Meteorology.*

A . . .	Director
1 . . .	Asstt. Meteorologist
1 . . .	'A'
2 . . .	'B'
2 . . .	'C'
3 . . .	'E'

7. *Seismological Research.*

1 Meteorologist 1 Asstt. Meteorologist, 1 'A', 2 'B'. 2 'C', 1 'D'

8. *Kodaikenal observatory.*

2 Meteorologists, 1 'A', 3 'B', 2 'C', 2 'F'.

For workshop, 2 Mechanics and 1 Laboratory Attendant.

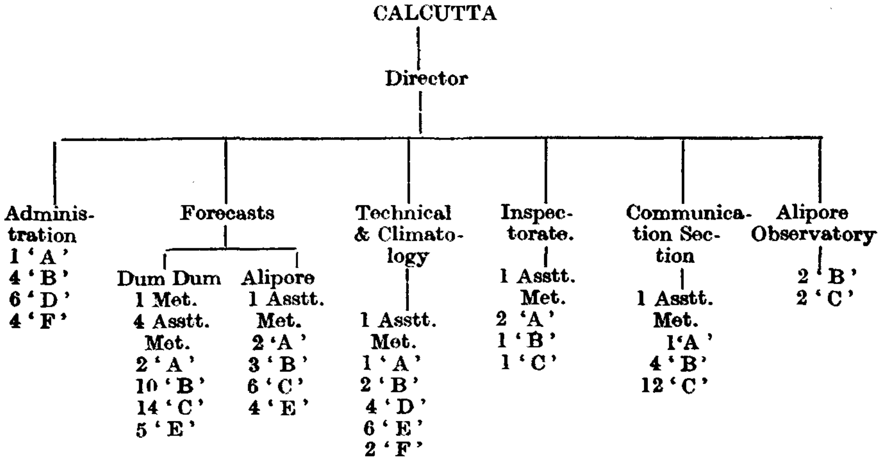
9. *Colaba and Alibag Observatories.*

1 Meteorologist, 6 'B', 7 'D'.

REGIONAL OFFICES

The Nagpur Region will cease to exist, as a region.

The regional headquarters staff will therefore go, and its present functions, *viz.*, the Inspection, the Communications, and the Technical and Climatological work will be re-distributed between the Bombay and Delhi regions. The staff in these regions has been fixed, taking this into account.



For 'extended charts', a strength of 1 Asstt. Meteorologist, 1 'A', and 1 'B' will be sanctioned for one year, after which it should be reviewed. The staff at the field stations will not be affected.

BOMBAY

Director

Administration	Tech. & Climatology	Forecasts Santa Cruz.	Inspectorate	Communication Section
1 ‘ A ’	1 Asst. Met.	1 Met.	1 Asstt. Met.	1 ‘ B ’
3 ‘ B ’	1 ‘ A ’	4 Asstt. Met.	1 ‘ A ’	4 ‘ C ’
5 ‘ D ’	3 ‘ B ’	2 ‘ A ’	1 ‘ B ’	
2 ‘ F ’	5 ‘ C ’	14 ‘ B ’		
	1 ‘ D ’	10 ‘ C ’		
	3 ‘ F ’	2 ‘ E ’		

For ‘ extended charts ’, a strength of 1 Asstt. Meteorologist, 1 ‘ A ’, and 1 ‘ B ’ will be sanctioned for 1 year, after which it will be reviewed. The staff in the Field stations will remain unaffected.

MADRAS

Director

Administration	Tech & Climatology.	Forecast, Meenambakkam.	Inspectorate	Communication Section
1 ‘ A ’	1 Asstt. Met.	1 Met.	1 Asstt. Met.	1 ‘ A ’
3 ‘ B ’	1 ‘ A ’	4 Asstt. Met.	1 ‘ A ’	3 ‘ B ’
5 ‘ D ’	2 ‘ B ’	2 ‘ A ’	1 ‘ B ’	10 ‘ C ’
2 ‘ F ’	4 ‘ C ’	10 ‘ B ’		
	1 ‘ D ’	10 ‘ C ’		
	3 ‘ F ’	2 ‘ E ’		

The staff in the Field stations will remain unaffected.

DELHI

Director

Administration	Tech. & Climatology	Forecast, Willingdon	Inspectorate	Communication
1 ‘ A ’	1 Asstt. Met.	1 Met.	1 Asstt. Met.	1 ‘ A ’
3 ‘ B ’	1 ‘ A ’	4 Asstt. Met.	1 ‘ A ’	3 ‘ B ’
5 ‘ D ’	2 ‘ B ’	2 ‘ A ’	1 ‘ B ’	12 ‘ C ’
2 ‘ F ’	4 ‘ C ’	10 ‘ B ’		
	1 ‘ D ’	10 ‘ C ’		
	3 ‘ F ’	2 ‘ E ’		

The staff in the Field stations will remain unaffected.

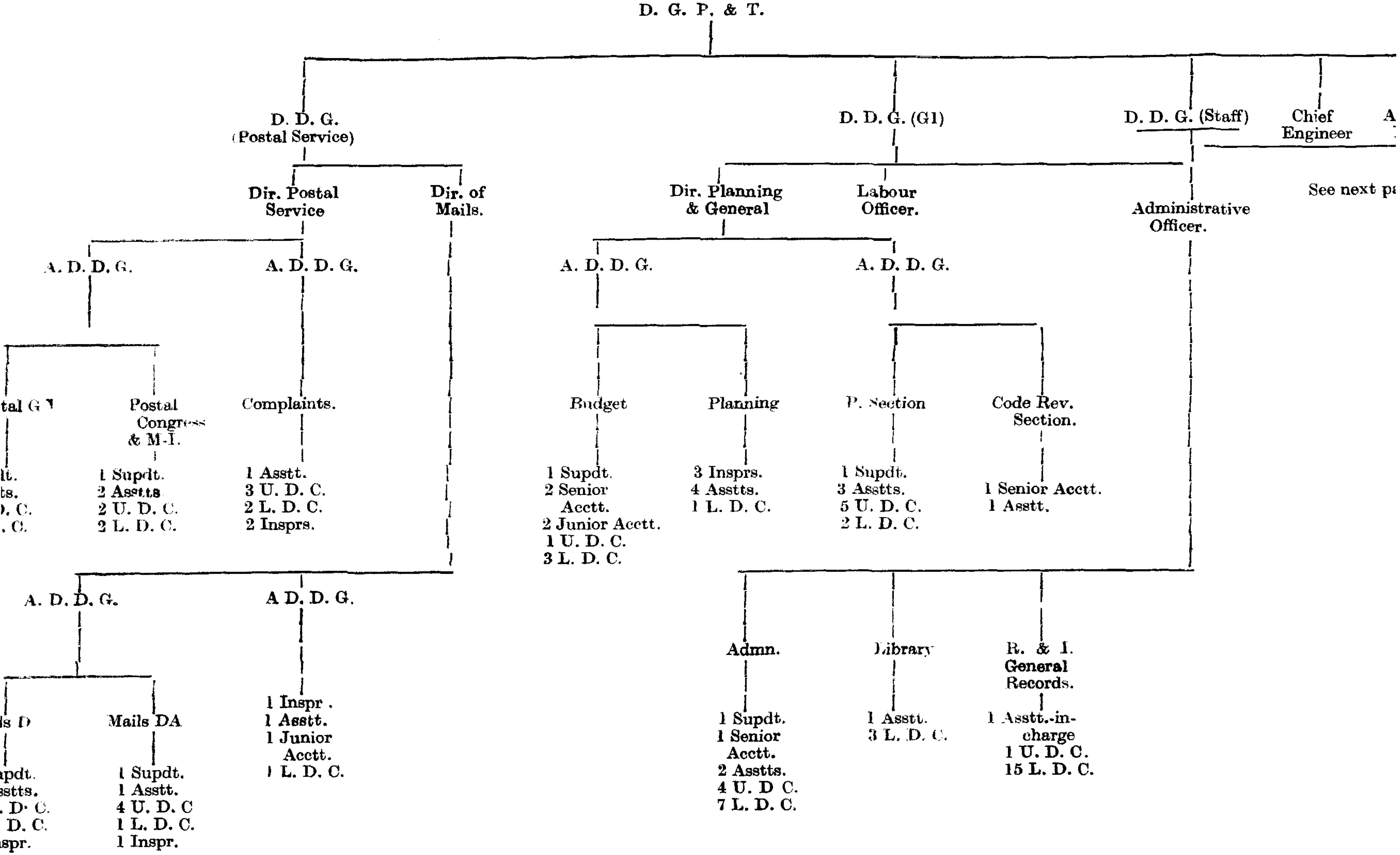
Forecast Station at Nagpur.

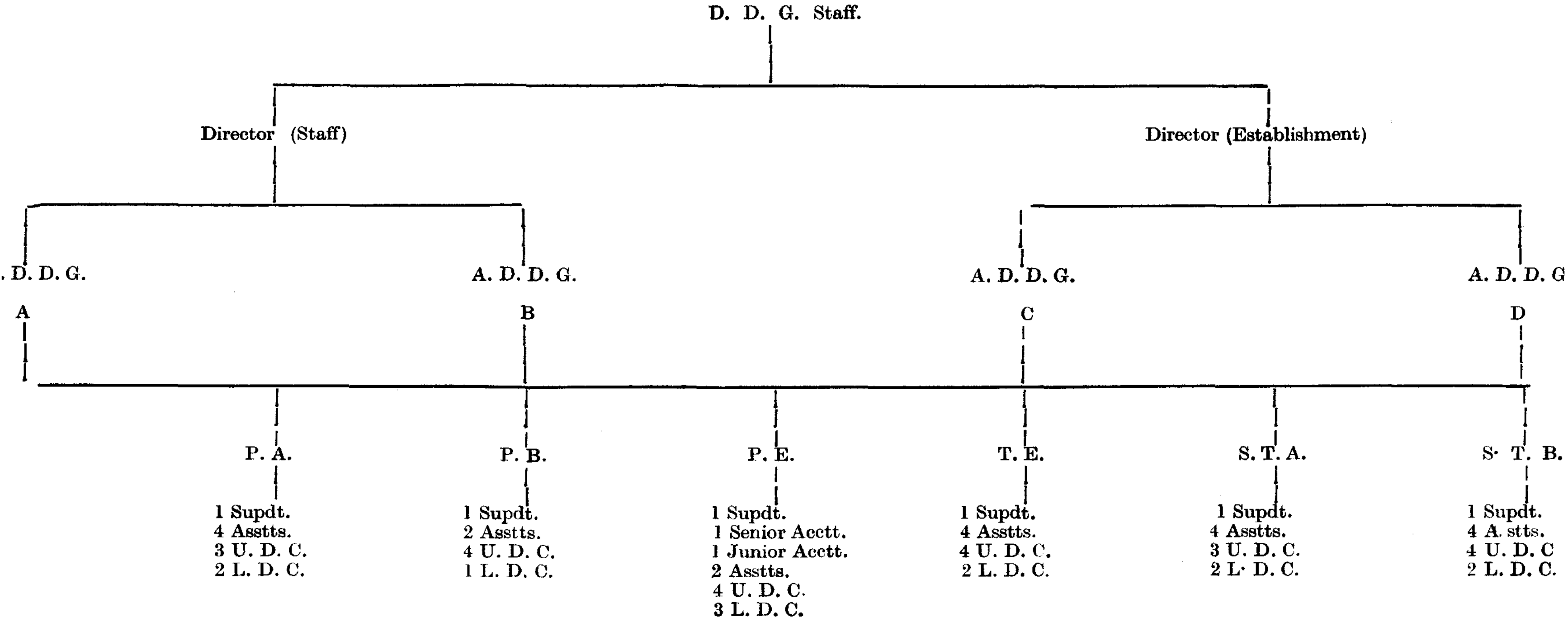
1 Met., 4 Asstt. Met., 2 ‘ A ’, 10 ‘ B ’ 10 ‘ C ’, and 2 ‘ E ’.

The staff in the Field stations will remain unaffected.

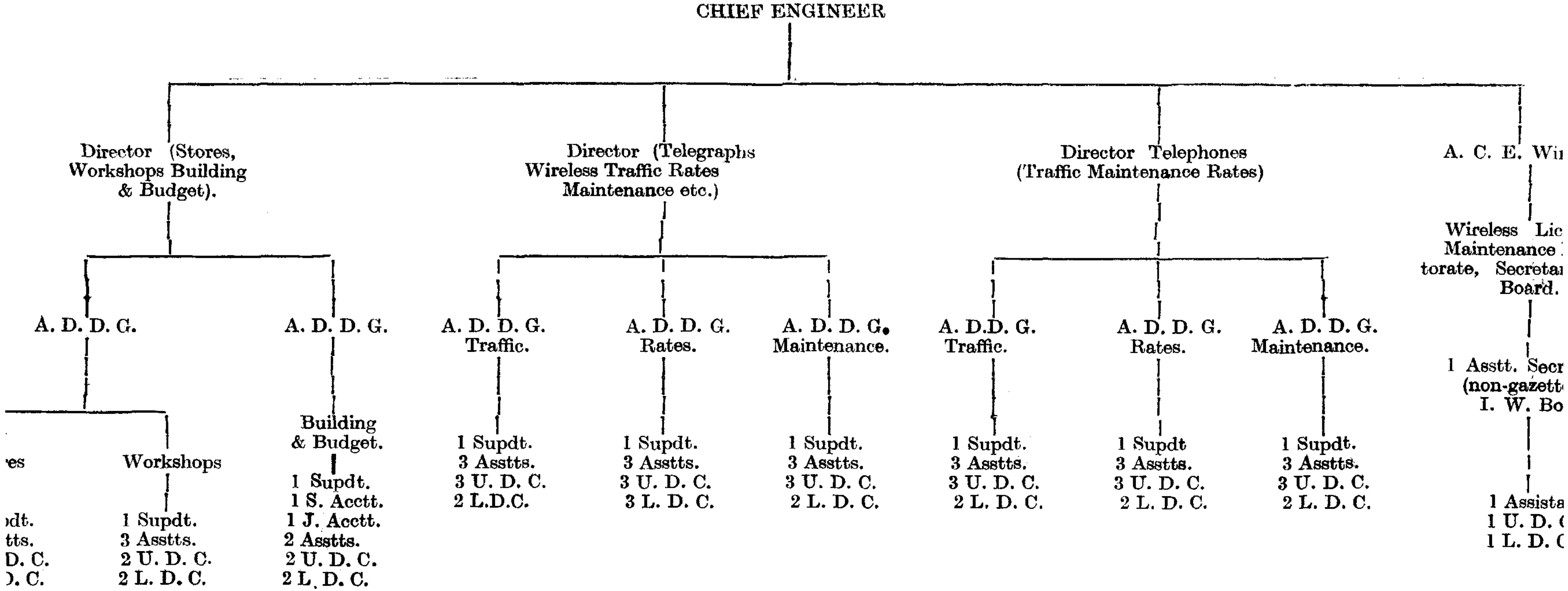
ANNEXURE I (*c*).

Proposed set-up of P. and T. Directorate





The work in these six sections should be suitably redistributed in as many sections and under the four ADDGS. A. B. C. & D. may be A. D. G's, A. D. G's. or A. C. E's,


CHIEF ENGINEER
Director (Stores, Workshops Building & Budget).
A. D. D. G.
es
dt.
tts.
D. C.
). C.
Workshops
1 Supdt.
3 Asstts.
2 U. D. C.
2 L. D. C.
A. D. D. G.
Building & Budget.
1 Supdt.
1 S. Acctt.
1 J. Acctt.
2 Asstts.
2 U. D. C.
2 L. D. C.
Director (Telegraphs Wireless Traffic Rates Maintenance etc.)
A. D. D. G. Traffic.
1 Supdt.
3 Asstts.
3 U. D. C.
2 L.D.C.
A. D. D. G. Rates.
1 Supdt.
3 Asstts.
3 U. D. C.
3 L. D. C.
A. D. D. G. Maintenance.
1 Supdt.
3 Asstts.
3 U. D. C.
2 L. D. C.
Director Telephones (Traffic Maintenance Rates)
A. D.D. G. Traffic.
1 Supdt.
3 Asstts.
3 U. D. C.
2 L. D. C.
A. D. D. G. Rates.
1 Supdt
3 Asstts.
3 U. D. C.
2 L. D. C.
A. D. D. G. Maintenance.
1 Supdt.
3 Asstts.
3 U. D. C.
2 L. D. C.
A. C. E. Wi
Wireless Lic
Maintenance
torate, Secreta
Board.
1 Asstt. Secr
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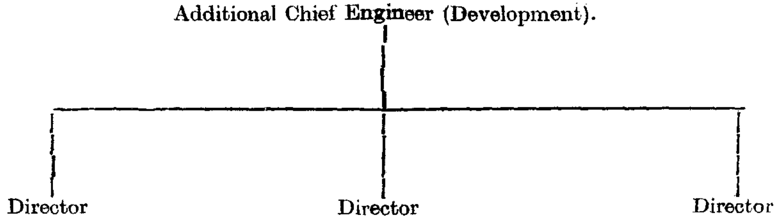
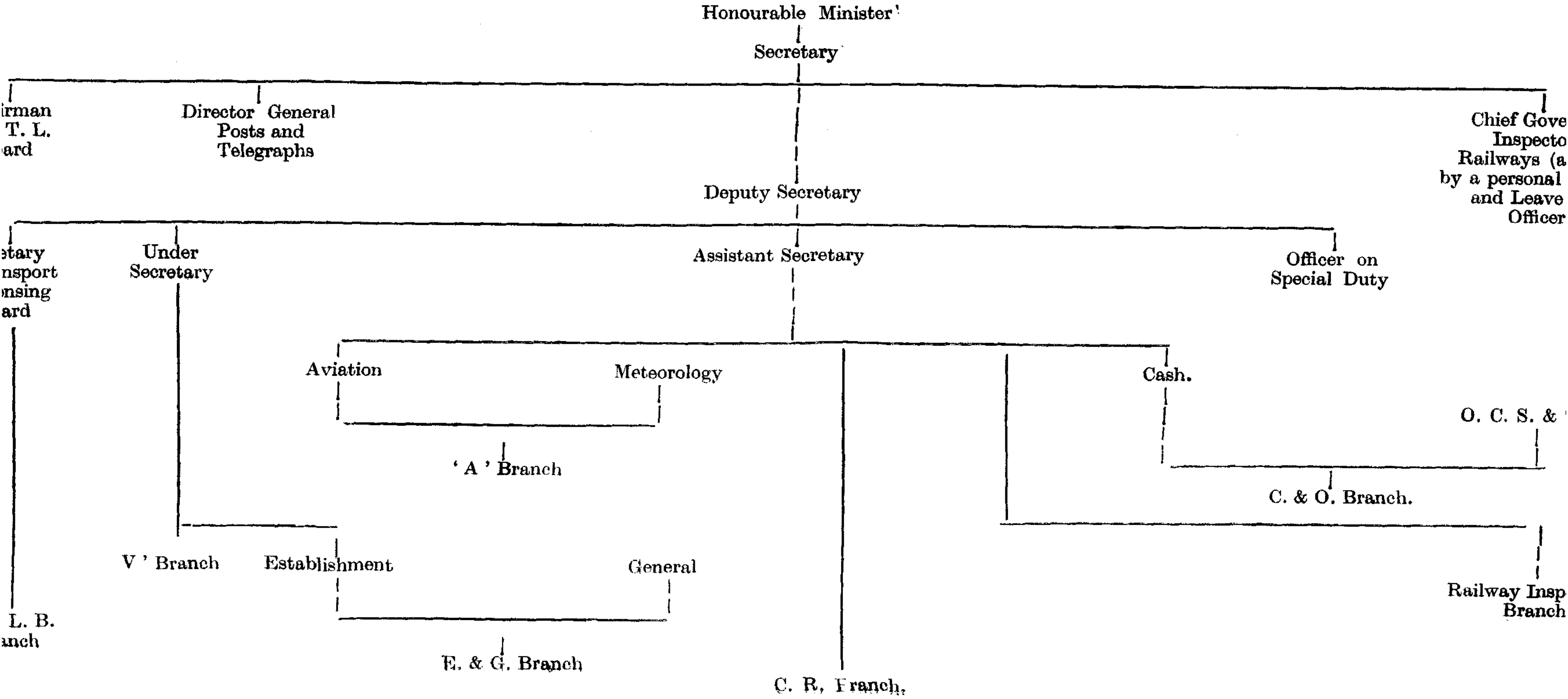
I. W. Bo
1 Assista
1 U. D.
1 L. D.



Details to be fixed by the Ministry of Communications on the basis of the recommendation in the report that posts of 4 Divisional Engineers and 12 Class II Officers should be abolished).

ANNEXURE II

Existing set-up of the Ministry of Communications



ANNEXURE III

Savings in the Ministry of Communications and the Departments under its control as a result of the recommendations of the Economy Committee.

ABSTRACT OF SAVINGS

	Budget Estimate for 1948-49	Savings
I. Ministry proper	4,67,900	(—)7,500
II. Savings on schemes and items provided for in the budget for 1949-50, but recommended to be postponed, abolished or obtherwise curtailed		
(*a*) Civil Aviation	1,06,99,400	1,90,000
(*b*) Meteorology	63,62,000	6,82,000
(*c*) Post and Telegraph Department	30,48,000	2,50,000
TOTAL	2,05,86,300	11,14,500

ANNEXURE III (*a*)

MINISTRY OF COMMUNICATIONS PROPER

Category	Existing	Proposed	Reductions	Savings
Secretary	1	1	..	..
Deputy Secretary	1	2	—1	..
Under/Asstt. Secretary	2	2	..	..
Officer on Special Duty	1	1	..	..
Private Secy. to Secy.	1	1	..	..
Superintendents	6	5	1	..
Assistants & Assistants-in-charge	31	29	2	..
Clerks	39	36	3	..
TOTAL	82	77	5	—Rs.5,000 per annum

Additional expenditure—Salaries	Rs.	5,000	per annum
Allowances etc.	Rs.	2,500	,,
TOTAL	Rs.	7,500	,,

ANNEXURE III (*a*) (para 18)

***Civil Aviation* :**

	Rs.
(*i*) Reduction of one post of Deputy Director General, one Deputy Director of Research and Development, and a Scientific Officer at headquarters	38,000
(*ii*) Abolition of Madras Region, reduction of Assistant Aerodrome Officers, and 20% reduction in M. T. staff	1,52,000
TOTAL .	1,90,000

ANNEXURE III (*b*) (para 27)

Savings in the Department of Meteorology consequent on the recommendations.

Category	Strength			Approximate Savings per annum (Rs.)
	Present	Proposed	Reduction	
Director General	1	1	..	
Deputy Director General	4	3	1	
Directors	7	7	..	
Meteorologists	27	17	10	
Asstt. Meteorologists	77	59	18	
TOTAL (Gazatted)	116	87	29	1,17,000
Superintendent	1	1	..	
Category ‘(A)‘	110	101	9	
Category ‘(B)’	345	294	51	
Category ‘(C)’	474	416	58	
Category ‘(D)’	90	59	31	
Category ‘(E)’	169	164	5	
Category ‘F’	34	27	7	
TOTAL (Non-gazetted)	1,223	1,062	161	2,32,000
GRAND TOTAL	1,339	1,149	190	3,49,000
		or say Rs.		3,49,000

Note.—

(1) Strength of Stenographers and Class IV personnel will be fixed separately.

(2) The proposed strength does not include ‘leave reserve’.

(3) For details of Category ‘A’ to ‘F’ kindly see Annexure I (*b*).

Savings in the Department

	B. E. for 1948-49	Approximate Savings
	Rs.	Rs.
Pay of staff	32,55,000	3,49,000
Allowances, Honoraria and other charges	31,07,000	3,33,000
TOTAL	63,62,000	6,82,000

ANNEXURE III (c) (para 39)

Saving in the Post and Telegraph Department.

Main office—

		Rs.	
Reorganisation of gazetted staff . .	Approximate	72,000	per annum.
Reduction in non-gazetted staff . .	,,	1,06,000	,,
Reduction in staff of construction wing .	,,	72,000	,,
	TOTAL .	2,50,000	,,

ANNEXURE IV

Statement showing loss incurred by Air transport Companies.

Company	Capital employed Rs. (lakhs)	Declared Profit/loss/ Rs. (lakhs.) 1947		Estimated true profit/loss Rs. (lakhs) for 1947
Air—India Ltd.	149·95	+ 9·25	(*a*)	+ 23·27
Indian National Airways Ltd.	87·12	— 7·92	(*c*)	No information.
Air Services of India Ltd.	72·63	— 10·57	(*b*)	— 3·84
Deccan Airways Ltd.	36·35	— 5·06	(*c*)	— 8·26
Indian Overseas Airlines Ltd.	79·84	— 3·31	(*c*)	— 15·43
Ambica Airlines Ltd.	26·06	— 2·75	(*c*)	— 6·43
Airways (India) Ltd.	20·40	+ 0·04	(*c*)	— 5·53
Bharat Airways Ltd.	50·00(*f*)	— 3·20	(*e*)	No information.
Dalmia-Jain Airways Ltd.	74·30	— 11·23	(*d*)	No information.
	596·65	— 34·75		

Notes.—

(*a*) Excessive provision for aircraft depreciation.

(*b*) Excessive provision for aircraft depreciation and overhauls.

(*c*) Inadequate provision for aircraft depreciation and overhauls.

(*d*) No scheduled services operated in 1947.

(*e*) Year ending 30-6-1948.

(*f*) As on 30-6-1947.

ANNEXURE V

List of Flying Clubs.—

1. Delhi Flying Club.
2. Bombay Flying Club.
3. Madras Flying Club.
4. Bengal Flying Club.
5. Bihar Flying Club.
6. Orissa Flying Club.
7. Hind Pro. Flying Club.
8. C. P. & Berar Flying Club.
9. Northern India Flying Club.
10. Hyderabad State Aero Club.
11. Jodhpur Flying Club.
12. Travancore Flying Club, Trivandrum
    (This Club is being wound up)
13. Mysore Flying Club.

ANNEXURE VI

Abstract of Expenditure on Development of Aerodromes.

		Rs.
Section I	Land Acquisition	3,57,26,000
Section II	General Aerodrome Construction . .	1,69,52,000
Section III	Runways, Taxi-Tracks and Aprons .	6,38,50,000
Section IV	Hangars	3,92,00,000
Section V	Construction of workshops, stores and garages	55,50,000
Section VI	Control and Terminal Buildings . .	3,17,50,000
Section VII	Retiring Rooms and Rest Houses . .	17,50,000
Section VIII	Provision of staff quarters . . .	4,03,12,000
Section IX	Aerodromes and Air Routes Lighting .	1,80,00,000
Section X	Aerodrome Equipment and Works services	66,33,000
Section XI;	10 years programme for provision of operational and Motor Pool Equipment .	1,75,06,000
Section XII	Construction of Wireless Transmitter, Receiving and Radio Range Stations .	2,51,94,000
Section XIII	Value of assets at aerodromes taken over from Ministry of Defence . . .	11,13,35,000
Section XIV	Miscellaneous works such as Hospitals, conversion of barracks etc. . . .	26,48,000
Section XV	Statement of electrical works required for development of civil aerodromes . .	46,45,000
Section XVI	State Aerodromes	5,86,50,000
Section XVII	Establishment of the ancillary Radio Units of the Aeronautical Communication Service	1,00,00,000
Section XVIII	Provision of permanent Civil Aviation Training School	75,00,000
	TOTAL .	49,72,01,000
	Departmental charges at C.P.W.D. rates 16½% on items in sections (II, III, IV, V, VI, VII, VIII, IX, XII, XIV, XVI, XVII and XVIII) *i.e.* on Rs. 26,73,51,000	4,41,12,915
	GRAND TOTAL .	54,13,13,915

Say Rs. 54,13,14,000

ANNEXURE VII

Statement showing the scale of distribution of various Categories of officers and staff at Regional, Major, Intermediate and Minor Aerodromes.

Category of Staff	Scale of distribution per Aerodrome					
	Regional Offices	Regional Aerodromes	Major Aerodromes	Intermediate Aerodromes		Minor Aerodromes
				Class A	Class B	
1	2	3	4	5	6	7
Controller of Aerodromes.	1	..	..	..	..	..
Senior Aerodrome Officer.	..	2	1	..	..	..
Aerodrome Officer .	..	..	..	1	1	..
Asstt. Aerodrome Officer.	1	13	4	2	2	..
Fire Officer .	1	..	..	..	..	..*
Divisional Accountant	1	..	..	..	..	..
Head Clerk .	1	1	1	1	..	..
Senior Clerk .	2	2	1	1	1	..
Junior Clerk .	8	6	4	3	3	..
Store Clerk .	..	..	1	1	1	..
Stenotypist .	1	1	1	..	..	..
Draftsman .	1	..	..	..	..	..
Tracer . . .	1	..	..	..	..	..
Control Operator .	..	20	4	4	3	..
Signaller . .	..	4	4	4	3	..
Airfield Supervisor Gr. I & II	..	2	2	1	..	1
Lookout . .	..	5	4	3	1	..
Traffic Foreman .	..	4	3	1	1	..
Fire Foreman .	..	4	3	2	2	..
Fire Operator .	..	16	12	6	..	..
M. T. Foreman .	1	..	..	..	..	..
M. T. Fitter Driver	..	2	2	1	1	..
M. T. Driver .	..	10	8	4	4	..
Coach Painter .	1	..	..	..	..	..
Care Taker .	..	3	2	1	..	..
E. & M. Supervisor	..	2	1	1	..	..
Floodlight Operator	..	2	1	1	1	..
Storekeeper . .	1	1	..	..	..	..
Storeman . .	1	1	1	1	..	..
Traffic Hand .	..	12	9	4	2	1
M. T. Khalasi .	..	2	1	1	1	..
M. T. Cleaner .	..	4	3	2	2	..
Chowkidar . .	..	20	16	8	8	2
Daftry . . .	1	1	1	1	..	..
Daffadar . .	1	..	..	..	..	
Peon . . .	3	10	5	3	3	..
Sweeper . .	1	4	3	2	2	1
Lavatory Attendants	..	3	2	2	..	..

*Only one for the entire Organisation.

GIPD—2S—(S)— 20 M of Fin.—22-4-49—200